

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Greater Lawrence Sanitary District Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: February 1, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

We note that based on our recommendation and that of your investment advisor, the Board adopted a 7.0% investment return assumption. The schedule the Board adopted funds the System more aggressively than the prior schedule. We commend the Board for its conservative approach.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Greater Lawrence Retirement System January 1, 2015 Actuarial Valuation

Total appropriation increasing 8.0% until FY33 with a final amortization payment in FY34

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Percent</u> <u>Increasing</u>
2016	144,555	39,000	78,811	262,366	2,578,776	
2017	151,060	39,000	93,295	283,355	2,677,721	8.00%
2018	157,857	39,000	109,166	306,024	2,768,600	8.00%
2019	164,961	39,000	126,545	330,506	2,849,415	8.00%
2020	172,384	39,000	145,562	356,946	2,917,901	8.00%
2021	180,142	39,000	166,360	385,502	2,971,498	8.00%
2022	188,248	39,000	189,094	416,342	3,007,320	8.00%
2023	196,719	39,000	213,930	449,649	3,022,120	8.00%
2024	205,572	39,000	241,050	485,621	3,012,251	8.00%
2025	214,822	39,000	270,649	524,471	2,973,622	8.00%
2026	224,489	39,000	302,939	566,429	2,901,654	8.00%
2027	234,591	39,000	338,152	611,743	2,791,228	8.00%
2028	245,148	39,000	376,534	660,682	2,636,627	8.00%
2029	256,180	39,000	418,357	713,537	2,431,477	8.00%
2030	267,708	39,000	463,912	770,620	2,168,681	8.00%
2031	279,754	39,000	513,515	832,269	1,840,340	8.00%
2032	292,343	39,000	567,507	898,851	1,437,676	8.00%
2033	305,499	39,000	626,260	970,759	950,943	8.00%
2034	319,246	39,000	381,819	740,065	369,329	-23.76%
2035	333,612	39,000		372,612	0	-49.65%

FY16 appropriation maintained from current schedule.

Appropriation payments assumed to be made January 1 of each fiscal year.

Total appropriations assumed to increase 8.0% each year until FY33 with a final amortization payment in FY34.

Normal cost includes expenses of \$50,000 and is assumed to increase 4.5% each year.